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SRI G. KRISHNAMOORTHY: Is there not a rule in force that a decent amount—say a month's requirements—should be deposited by the managements?

THE HON. SRI C. SUBRAMANIAM: There is now a provision for creating endowments for this purpose. When these endowments are available, they are also utilised.

SRI T. P. SRINIVASAVARADAN: Sir, is it not a fact that this rule applies to schools that came into existence after 1948, and that in respect of the schools which were in existence before 1948, there is no such rule?

THE HON. SRI C. SUBRAMANIAM: That is so, Sir.

MR. CHAIRMAN: Questions are over.

[*Note*.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—ANNOUNCEMENT *RE*: DECISION OF THE BUSINESS ADVISORY COMMITTEE.

MR. CHAIRMAN: At a meeting of the Business Advisory Committee held at 2-30 p.m. to-day (5th September 1960), the following programme of business has been decided:—

6th September 1960, *Tuesday*, 3 *p.m.*

1. The Madras Judicial Proceedings (Regulation of Reports) Bill, 1960 (L.A. Bill No. 12 of 1960).

2. The Indian Penal Code and the Code of Criminal Procedure (Madras Amendment) Bill, 1960 (L.A. Bill No. 7 of 1960).

3. The Madras (Transferred Territory) Extension of Laws Bill, 1960 (L.A. Bill No. 17 of 1960).

4. The Madras Panchayat Union Councils (Special Provisions for First Constitution) Bill, 1960 (L.A. Bill No. 19 of 1960).

7th September 1960, *Wednesday*, *8th September* 1960, *Thursday* and *9th September* 1960, *Friday*, 3 *p.m.*

Discussion on the Draft Outline of the Third Five-Year Plan.

Further programme of business will be decided on 9th September 1960.

III.—GOVERNMENT BILL.

(1) THE MADRAS SALES OF MOTOR SPIRIT TAXATION (AMENDMENT) BILL, 1960 (L.A. BILL NO. 23 OF 1960).

THE HON. SRI R. VENKATARAMAN: Sir, I move—

'That the Madras Sales of Motor Spirit Taxation (Amendment) Bill [a], 1960 (L.A. Bill No. 23 of 1960), as passed by the Legislative Assembly, be taken into consideration.'

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[a] Printed as Appendix III on page 27 infra.

5th September 1960] [Sri R. Venkataraman]

Sir, consequent on the introduction of the metric system, a revision in the rates of sales tax has become necessary. To-day petrol is charged at 38 nP. per gallon. Diesel oil is taxed at 35 nP. per gallon. Motor spirits other than petrol and diesel oil are taxed at 10 nP. per gallon. The conversion table of the gallon into litre is 4·5 and so on, so that, if we convert the existing rate into 'litres', the result will be that we may have to charge per litre 8·359 nP. brought to the third decimal place, at the rate of 38 nP. per gallon of petrol. Similarly, diesel oil will have to be taxed at 7·699 nP. per litre at the rate of 35 nP. per gallon. In the case of motor spirits which are taxed at 10 nP. per gallon, the tax per litre will work out to 2.199 nP. In this Bill, we have rounded off the tax on petrol to 9 nP. on diesel oil to 8 nP. and on motor spirit to 2 nP. There has been a small upward revision consequent on this rate of levy. Actually, petrol which is chargeable to 8.359 nP. per litre will be charged to 9 nP. and diesel oil which is chargeable to 7·699 nP. per litre will be charged to 8 nP. On the other hand, with regard to other motor spirits, there will be a reduction from 2·199 nP. to 2 nP. per litre. As a result of the revision of the rates, the State is likely to get roughly about 11 lakhs of rupees. 3-20 p.m.

SRI MOHAMED RAZA KHAN: Hear, hear.

THE HON. SRI R. VENKATARAMAN: On petrol, we will get Rs. 5,35,309. On diesel oil, we will get Rs. 6,13,207. On motor spirits, we will lose Rs. 27,114. The net position is, we will get Rs. 11,21,402. The reason which induced the Government to adopt these rates is that we have to maintain the difference between petrol and diesel. The rate on petrol, when we round it off to the nearest integer, will come to 8 nP. per litre. So also, when we round off the rate on diesel oil to the nearest integer, it will come to the same 8 nP. per litre. But in view of the difference which we have always maintained between petrol and diesel oil, we have decided, so far as petrol is concerned, to round it to the next higher figure. This is not a taxation measure in the sense that it is intended for raising our revenues. Actually, this has been introduced for the purpose of bringing the sale of petrol under the metric system. Fortunately, we are on the threshold of great industrial development and changes, and unless we adopt the metric system now, we will find it difficult later to change over to the metric system after the weights, measures, scales and other instruments are prepared in the old system. Therefore, I commend this Bill to the House for its acceptance.

MR. CHAIRMAN: Motion moved—

"That the Madras Sales of Motor Spirit Taxation (Amendment) Bill, 1960 (L.A. Bill No. 23 of 1960), as passed by the Legislative Assembly, be taken into consideration."

DR. A. SREENIVASAN: Mr. Chairman, I beg to oppose this measure. I consider that the metric system has been of great benefit to the Government from the monetary point of view. I also consider that this forty lakhs of rupees is ill-gotten money.

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DR. A. LAKSHMANASWAMI MUDALIAR : Eleven lakhs.

DR. A. SREENIVASAN : Even that eleven lakhs is ill-gotten money. Why not pass on the benefit to the consumer himself? Sir, motor car is not considered a luxury at all now. It has become a necessity in every walk of life. Therefore. I consider that the Government are not well-advised to revise the rates upwardly. There must be a downward revision.

SRI MOHAMED RAZA KHAN : Sir, I just want to say a word or two. This Ordinance was passed on the 26th June 1960 consequent on the Legislature having been prorogued. But the Government have decided to have the rates levied with effect from 1st April itself. In that case, they could have taken the decision in February or March and brought in a Bill then as the House was in session right up to the end of April, if I remember aright. As a matter of policy, Ordinance should be resorted to only as an inevitable course. The Government could have brought in a small Bill somewhere in the month of March or April, if not earlier. The Ordinance came into effect on the 25th June 1960 and I take it that during the period from 1st April to 25th June 1960, the sales were in terms of gallons and not litres.

As regards the point raised by Dr. Sreenivasan, I must say one thing. I have also calculated the present levy. In terms of litre, the Hon. Leader of the House said that the levy should be 8·359 nP. Sir, may I bring to your kind notice one thing? You have known much more about this petrol than I have known. In the course of the last 10 years, you know, Sir, how its price has been fluctuating. In the year 1946, the tax per gallon of petrol was one anna. A year or so later, after the Congress Government took over, they thought of raising the rate from one anna to four annas in order to augment the revenues of the Government. That is, the increase was 400 per cent apart from the Union levies which the consumer has to pay. Again it was raised to six annas, and in terms of naye paise it comes to 38. However small the increase—I do not grudge the Hon. the Leader of the House, who is in charge of commercial taxes, this small levy—I must say one thing. He feels happy that even by this small conversion, he is getting eleven lakhs of rupees. The Government are always careful to see that any benefit of revision always goes to them and not to the consumer. The elementary principle in conversion is that anything above 0.5 should be rounded off to one and anything below 0.5 eliminated. This is a common principle. Therefore, I am not convinced by the argument of the Hon. the Leader of the House when he says that he has put 8·359 nP. at 9 nP. in order to maintain the difference between petrol and diesel oil. We will not be surprised, Sir, if one day the Government again come forward to raise the levy on diesel oil and charge it heavily. So, Sir, it is not a question of raising money. It is a question of principle. Eleven lakhs of rupees this way or that way is not a big

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sum. But whether it is a businessman or Government, elementary principles should not be ignored. 8.359 nP. should be made only 8 nP. and not 9 nP.

THE HON. SRI R. VENKATARAMAN : Sir, I am glad that the Bill goes through without much . . .

MR. CHAIRMAN : It has not gone through yet.

THE HON. SRI R. VENKATARAMAN : Actually, the point is why the rate on petrol was not rounded off to the lower integer. As I have said, we have maintained all along that a difference in rates of taxation should exist between petrol and diesel oil. We have always felt that persons who use petrol have a greater ability to bear the burden of taxation than those who use diesel oil. To charge the same rate on both diesel oil and petrol would raise a hue and cry . . . (SRI MOHAMED RAZA KHAN : Any way it is not convincing.) that the box has been made uniform. Therefore, Government are not able to accede to that request. I think hon. Members will now appreciate the attitude of the Government and support the measure.

MR. CHAIRMAN : The question is—

"That the Madras Sales of Motor Spirit Taxation (Amendment) Bill, 1960 (L.A. Bill No. 23 of 1960), as passed by the Legislative Assembly, be taken into consideration."

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 and 3 were put and carried.

Clause 1 and the preamble were put and carried.

THE HON. SRI R. VENKATARAMAN : Sir, I move—

"That the Madras Sales of Motor Spirit Taxation (Amendment) Bill, 1960 (L.A. Bill No. 23 of 1960), as passed by the Legislative Assembly, be passed."

MR. CHAIRMAN : The question is—

"That the Madras Sales of Motor Spirit Taxation (Amendment) Bill, 1960 (L.A. Bill No. 23 of 1960) as passed by the Legislative Assembly, be passed."

The motion was put and carried and the Bill was passed.

(2) THE INDUSTRIAL EMPLOYMENT (STANDING ORDERS) (MADRAS AMENDMENT) BILL, 1960 (L.A. BILL NO. 14 OF 1960). 3–30 p.m.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

"That the Industrial Employment (Standing Orders) (Madras Amendment) Bill [a], 1960 (L.A. Bill No. 14 of 1960), as passed by the Legislative Assembly, be taken into consideration."

[a] Printed as Appendix IV on pages 27–28 infra.